



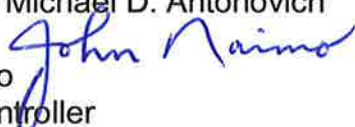
JOHN NAIMO  
AUDITOR-CONTROLLER

## COUNTY OF LOS ANGELES DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

July 5, 2016

TO: Supervisor Hilda L. Solis, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: John Naimo   
Auditor-Controller

SUBJECT: **PUBLIC LIBRARY - PAYROLL/PERSONNEL REVIEW**

In 2007, your Board instructed the Auditor-Controller (A-C) to develop a risk-based plan to audit payroll and personnel operations in all County departments. In accordance with the developed plan, we completed a review of Public Library's (Library or Department) compliance with County payroll and personnel policies, and their use of the County's electronic Human Resources (eHR) system. Our review covered areas such as overtime controls, time and attendance controls, leave accounting, monitoring bonus eligibility, and data security, sampled from fiscal years 2011-12 and 2012-13.

### **Summary of Findings**

We noted that Library staff appropriately budgeted for overtime, and input terminations and bonuses into eHR in a timely manner. However, Library needs to strengthen its controls over other areas of their payroll and personnel operations, and their use of the eHR system. The following are examples of areas for improvement:

- **Library management needs to ensure that all non-emergency overtime is pre-approved in writing, and that documentation of the pre-approval is scanned and attached to employees' electronic timesheets.** We reviewed 20 timesheets of employees who reported overtime and identified 112 instances of non-emergency overtime worked. None of the timesheets reviewed had overtime approvals attached to the employees' electronic timesheets, and 26 (23%) instances were not supported by any approval documentation.

*Library's attached response indicates that they will advise employees of the overtime policy and expectations, and review overtime reported to ensure compliance with the overtime policy. In addition, the Department will evaluate implementation of scanning and attaching all pre-approved documentation to employees' electronic timesheets.*

- **Library management needs to ensure that supervisors approving timesheets review supporting documentation to verify that each instance of claimed call-back overtime hours meets the requirements of the applicable Memorandums of Understanding.** We reviewed 20 timesheets that contained 19 instances of call-back overtime and noted 16 (84%) cases where there was no documentation that the employee was actually called back to work.

*Library's attached response indicates that they notified employees of the requirements for call-back overtime. In addition, the Department reviewed call-back overtime reported and noted no other discrepancies.*

- **Library management needs to discontinue the practice of permanent employees preparing both hard-copy and eHR timesheets.** The Department's South Region permanent employees (approximately 80) input and submit their time through eHR and prepare hard-copy timesheets. Both timesheets are reviewed/approved by a supervisor.

*Library's attached response indicates that they will ensure permanent employees only prepare timesheets in eHR.*

- **Library management needs to evaluate allowing temporary employees to enter their time directly into eHR.** The Department's temporary employees (approximately 850) prepare hard-copy timesheets, which are entered into eHR by proxies. We reviewed the time reported for 20 of Library's temporary employees and noted that none of the employees had verified that the electronic timesheets submitted on their behalf by proxies were correct and complete as required by the County Fiscal Manual.

*Library's attached response indicates that they will evaluate the feasibility of allowing temporary employees to enter their time directly into eHR.*

- **Library management needs to complete and maintain records of criminal background checks performed on all individuals who serve in sensitive positions.** Records we reviewed for seven (70%) of the ten employees working in sensitive positions did not include documentation to support that a criminal background check clearance was conducted.

*Library's attached response indicates that they will maintain records of criminal background checks performed on all individuals who serve in sensitive positions.*

We also noted that Library can improve its controls over recording time and attendance, leave accounting, and processing supplemental warrants. Details of these and other findings and recommendations are included in Attachment I.

### **Review of Report**

We discussed the results of our review with Library management. They generally agreed with our findings and recommendations. The Department's attached response (Attachment II) describes the corrective actions they have taken, or plan to take, to address the recommendations in our report.

We thank Library management and staff for their cooperation and assistance during our review. If you have any questions please call me, or your staff may contact Robert Smythe at (213) 253-0100.

JN:AB:PH:RS:MP

### **Attachments**

c: Sachi A. Hamai, Chief Executive Officer  
Skye Patrick, Library Director  
Public Information Office  
Audit Committee

**PUBLIC LIBRARY  
PAYROLL/PERSONNEL REVIEW**

**Background**

The Public Library (Library or Department) has approximately 600 permanent employees and 850 temporary employees. County libraries are located in five Regions (i.e., North, South, East, West, and Central), and each Region has an administrative office. The Department's Human Resources Development Services (HR) uses the County's electronic Human Resources (eHR) system to obtain employee leave balances, process personnel actions such as hires and terminations, and to maintain personnel data including hire dates, social security numbers, and employment history. Library employees' timesheet information is recorded in the eHR Employee Self-Service application.

**Scope**

We reviewed Library's compliance with County payroll and personnel policies, including the County Fiscal Manual (CFM), and use of eHR. Our review included interviews with Library staff and management, and tests of Library payroll and personnel functions such as overtime controls, time and attendance controls, leave accounting, monitoring bonus eligibility, and data security.

**COMMENTS AND RECOMMENDATIONS**

Based on our review, Library staff appropriately budgeted for overtime, and input terminations and bonuses into eHR in a timely manner. However, Library needs to strengthen its controls over other areas of their payroll and personnel operations, and their use of the eHR system. Details are discussed below.

**Overtime Approval and Monitoring**

**Non-Emergency Overtime Documentation**

CFM Section 3.1.9 requires that non-emergency overtime must be pre-approved, and documentation of the pre-approval must be scanned and attached to the employee's electronic timesheet.

We reviewed 20 timesheets of employees who reported overtime, which included 112 instances of non-emergency overtime, and noted the following:

- 26 (23%) of the 112 instances of non-emergency overtime worked were not supported by any approval documentation. For the remaining 86 instances, the Department maintained overtime approval documentation outside of eHR.

- Approval dates documented for 40 (36%) instances of non-emergency overtime worked did not accurately reflect the date signed. Two managers indicated that they provided verbal authorization to perform overtime, and after performing the overtime, the staff completed the authorization forms with the actual number of hours worked. The managers then back-dated their written authorizations.
- None of the 20 timesheets reviewed had overtime approvals scanned and attached to the employees' electronic timesheets. Library's HR management was unaware that this was required.

### **Recommendation**

1. **Public Library management ensure that all non-emergency overtime is pre-approved in writing, and documentation of the pre-approval is scanned and attached to employees' electronic timesheets.**

### **Compensatory Overtime Reporting**

CFM Section 3.1.7 requires that timesheets include the total hours worked each day and any variances. We noted the Department's overtime policy states that compensatory overtime for exempt salaried employees must not be reported on an employee's timesheet until the employee has accumulated eight compensatory overtime hours. This policy is contrary to the CFM, and results in inaccurate time reported in eHR and incorrect employee leave balances.

We reviewed ten timesheets that included compensatory overtime and noted for two (20%) timesheets, overtime authorizations did not support the total hours or dates the overtime was reported. Two Library employees informed us they had been instructed to follow the Department's compensatory overtime policy mentioned above. The employees tracked their compensatory overtime hours outside of eHR, but did not report their overtime until they had accumulated eight hours. As a result, they initially under reported overtime and also reported overtime on subsequent days when the overtime was not actually worked.

Library management should ensure that all employee timesheets reflect the actual number of hours worked each day, and that the Department's overtime policy is updated to comply with the CFM.

### **Recommendation**

2. **Public Library management ensure that all employee timesheets reflect the actual number of hours worked each day, and that the Department's overtime policy is updated to comply with the County Fiscal Manual.**

**Emergency (Call-Back) Overtime Documentation**

Common language within Memorandums of Understanding (MOU) with various collective bargaining units that represent Library employees provides for call-back overtime pay whenever:

- An employee represented by these units is unexpectedly ordered to return to work following the termination of his/her normal work shift, and
- The employee has departed from his/her work location, and
- The employee in-fact returns to work.

Call-back overtime is paid for a minimum of four hours at time-and-one-half of the employee's regular rate. We reviewed 20 timesheets that contained 19 instances of call-back overtime and noted 16 (84%) instances where the overtime was not sufficiently documented. Specifically:

- One employee reported 15 instances of call-back overtime totaling \$2,493 for 60 hours, but supporting documentation indicates that the employee did not physically return to work and was thus not entitled to receive call-back compensation.
- One employee reported one instance of call-back overtime, but the Department could not locate documentation supporting that the person was called back to work, resulting in a potential overpayment totaling \$135 for four hours.

**Recommendations****Public Library management:**

3. **Ensure that supervisors approving timesheets review supporting documentation to verify that each instance of claimed call-back overtime hours meets the requirements of the applicable Memorandum of Understanding.**
4. **Research call-back overtime exceptions identified above, and work with the Department of Human Resources and County Counsel to recover overpayments.**

**Timesheet Submission and Controls**

CFM Section 3.1.7 states that employees must confirm with an electronic or written signature that they have accurately and completely recorded all of their time worked and time off on their timesheet. A designated individual (proxy) may complete timesheets for employees who are unavailable (e.g., on leave) or do not have access to a computer. When a proxy is used, the employee must subsequently confirm the accuracy of their timesheet.

**Permanent Employees**

We noted two of the Department's Regions have respective timesheet processing practices that are either redundant or are non-compliant with CFM standards as follows:

- The Department's South Region permanent employees (approximately 80) input and submit their time through eHR and prepare hard-copy timesheets. Both timesheets are reviewed/approved by a supervisor.
- The Department's West Region permanent employees (approximately 70) do not electronically sign their timesheets as required. These employees input their time directly into eHR, and the employees' supervisors review and submit the timesheets as proxies. Library administrative staff compares the Region's proxied timesheets within eHR to employees' scheduled hours and approves the timesheets.

All permanent Library employees should electronically submit and sign their timesheets in eHR. Employees' supervisors should approve their employees' timesheets in eHR based on actual time worked. In addition, the Department should discontinue the practice of permanent employees preparing both hard-copy and eHR timesheets.

**Recommendations****Public Library management:**

5. **Ensure permanent Public Library employees electronically submit and sign their timesheets in eHR, and ensure employees' supervisors approve their employees' timesheets in eHR based on actual time worked.**
6. **Discontinue the practice of permanent employees preparing both hard-copy and eHR timesheets.**

**Temporary Employees**

The Department's temporary employees (approximately 850) prepare hard-copy timesheets, which are entered into eHR by proxies. CFM Section 3.1.7 states that employees must review electronic timesheet entries made on their behalf by proxies, and document that the entries are correct and complete (e.g., by later signing a hard-copy of the eHR electronic timesheet).

We reviewed the time reported for 20 of Library's approximately 850 temporary employees and noted that none of the employees had verified that the electronic timesheets submitted on their behalf by their proxies were correct and complete as required by the CFM.

Library management needs to evaluate allowing temporary employees to enter their time directly into eHR. The use of eHR would avail the Library of the efficiencies and accuracy of electronic timekeeping, and eliminate much of the Department's need for temporary employees to confirm proxied timesheets. The Department also needs to ensure employees review eHR entries made on their behalf when proxies are necessary, and that employees certify that the timesheet entries are correct and complete.

### **Recommendations**

#### **Public Library management:**

- 7. Evaluate allowing temporary employees to enter their time directly into eHR.**
- 8. Ensure employees review eHR entries made on their behalf by proxies, and certify that the entries are correct and complete.**

### **Timesheet Monitoring**

CFM Section 3.1.6 states that each quarter, management or persons independent of personnel and payroll functions, should review and document a sample of permanent and temporary employees' timesheets to ensure the employees are bona fide, and that timesheets were accurately submitted and properly approved.

We noted that Library had not reviewed a sample of electronic or hard-copy timesheets for the two quarters prior to our review.

### **Recommendation**

- 9. Public Library management ensure that each quarter, management or someone independent of personnel and payroll functions, reviews and documents a sample of permanent and temporary employees' timesheets to ensure the employees are bona fide, and that timesheets were accurately submitted and properly approved.**

### **Leave Accounting**

Family and medical leave laws entitle County employees to take leave from work for qualifying medical and family reasons. County employees who are unable to work because of an industrial accident (IA) may receive temporary disability (TD) benefits. The TD benefits authorization is determined by a County contracted Third Party Administrator (TPA). County Departments can use the Absence Management System (AMS) to monitor and better manage employees on long periods of absence, including absences that qualify under family and medical leave laws such as IA, medical leaves, absences to care for a family member, etc.



**Industrial Accident Leave**

Library Return-to-Work personnel indicated they do not consistently utilize AMS, and have no other systems in place to monitor employees who are on various forms of extended absence. As a result, the Department is not maintaining listings of employees receiving TD benefits, awaiting determination of TD benefit claims, or using continuous sick leave. Based on timesheet data from the first six months of calendar year 2015, the Department had approximately 75 individuals who reported family and medical leave time, including IA or other forms of leave time.

The inconsistent use of AMS can undermine the effectiveness of efforts to monitor employees who are on long term leave, including reinforcing the Department's compliance with mandated interactive and notification rights to these employees as the Department strives to expedite each employee's return to good health and to the workforce.

**Recommendation**

- 10. Public Library management ensure their Return-to-Work staff consistently utilize the Absence Management System to provide for more effective awareness and oversight of employees who are on various forms of extended leave.**

**Part-Pay Sick Leave**

We sampled ten employees' timesheets that included part-pay sick and noted the following:

- One of the two employees who were receiving a bilingual bonus continued to receive the bonus after they were absent more than 60 consecutive calendar days, in violation of the Department of Human Resources (DHR) Interpretive Manual Section V.III.G. This resulted in a \$150 overpayment. Bonuses are discussed in more detail in the Bonuses section below.
- One employee had not received their authorized TD benefits, which had been approved nearly two years prior to our review. The employee used 91 hours of accrued part-pay sick leave while the TPA reviewed their IA claim. The TPA approved the employee's IA claim subsequent to the employee's return to work. Upon approval of the IA claim, Library should have promptly restored the employee's sick leave and initiated the TD benefits.

**Recommendations****Public Library management:**

- 11. Ensure that bilingual bonuses are suspended when an employee is absent for more than 60 consecutive calendar days.**
- 12. Ensure that temporary disability payments are paid timely.**

**Jury Duty Leave**

DHR Interpretive Manual Section I.I.E states that qualifying employees may continue to receive their regular pay during the time they are required to serve on jury duty. To receive regular pay, employees must deposit any fees received for jury duty with the County Treasurer. DHR's Employee Handbook states that the courts provide the employees a proof of jury service document, which employees must submit to their supervisor.

We reviewed 23 timesheets which included jury duty leave and noted the following:

- For seven (30%) timesheets, the employee's proof of jury service documents indicated the employee received payment from the court for jury duty, but the Department had not requested repayment.
- For two (9%) timesheets, the employee reported four jury duty days which were not supported by a proof of jury service document.

**Recommendations****Public Library management:**

- 13. Ensure supervisors review employees' proof of jury service to determine whether employees were paid for jury duty, and collect and deposit with the County Treasurer any jury fees paid to employees who received their County salary while serving as a juror.**
- 14. Ensure employees provide proof of jury service documentation when submitting their timesheets.**

**Bereavement Leave**

We reviewed the payroll files for ten timesheets that included bereavement leave and noted that files for three (30%) timesheets did not adequately support the bereavement leave taken. One timesheet had no documentation supporting the claim for bereavement leave. Supporting documentation for the remaining two timesheets did not indicate each employee's relationship to the deceased, and/or did not contain proof

of travel for a minimum of 500 miles as required by County Code Section 6.20.080 for bereavement leave claimed beyond three work days.

### **Recommendation**

- 15. Public Library management ensure employees who receive bereavement leave provide documentation that adequately supports leave eligibility.**

### **Payroll Payoffs**

CFM Section 3.1.12 requires departments to conduct periodic payroll payoffs (payoff) at least once every 12 months to verify that all individuals being paid are legitimate County employees. The Department must observe proof of identity and obtain signatures for all employees listed on the Department Direct Deposit/Zero Net Pay Distribution Register and Department Warrant Register.

We reviewed Library's payoff records for approximately 22 months and 2,400 payments (many of the employees were included in more than one payoff) and noted the Department did not observe proof of identity and obtain signatures from a total of 59 Library employees. According to Department management, the missing signatures consisted of nine retiree re-hires, 20 assigned to another library, and 30 not expected to return to work within five days.

Library management indicated that because retiree re-hires work sporadically, if they are not present on the day of the payoff, their signatures are not obtained. The Department also does not require proof of identity from staff who are working at another library on the day of the payoff, and in some cases, the Department mails warrants to the homes of employees who are not on direct deposit and are not present for payoffs.

The Department's practices with respect to retirees, and employees not at work or at another location on the day of the payoff, defeat the purpose of payoffs. The Department needs to properly identify all employees during payoffs as required by the CFM. In cases where employees are off work for extended periods, the Department should use a method, such as Restricted Delivery mail service, that requires verification by the specific individual.

### **Recommendation**

- 16. Public Library management properly identify all employees during payroll payoffs, and consider using Restricted Delivery mail service or other similar means for identifying employees who are off work for extended periods.**

### **Terminated Employees Controls**

CFM Section 3.1.8 states that terminated employees' names should be traced to the eHR Payroll Sequence Register for three consecutive months after termination, to verify that the termination has been processed, and that the terminated employees do not receive inappropriate pay.

We examined three months of the Department's prior reviews of the Payroll Sequence Register and noted that the Department did not perform the reviews until the fourth month after the employees' termination, and only reviewed one to two months for each employee.

### **Recommendation**

- 17. Public Library management ensure that terminated employees' names are traced in a timely manner to the eHR Payroll Sequence Register for three consecutive months immediately after termination.**

### **Payroll/Personnel Exception Reports**

eHR automatically generates reports to assist managers in monitoring payroll and personnel operations. CFM Sections 3.1.3, and 3.1.6 through 3.1.9, require Payroll staff to investigate exceptions on the reports listed below, and annotate, sign, and date the reports to document the disposition of each entry. The Payroll Supervisor should also review the reports each pay period to ensure that adjustments are made promptly and correctly, and sign and date the reports.

- Leave Document Submission Report
- Overtime Activity Report
- Leave Benefit Negative Balances Report
- Final Leave Reset Payout Report
- Change in Overtime History Exception Report
- Excessive Compensatory Time Earned/Regular Hours Exception Report
- Single Approver Report
- Missing Timesheet Report
- Audit Trail Report

We noted that eight of the nine reports are not reviewed and annotated by Library staff in accordance with CFM requirements. While the reports we reviewed contained minimal exceptions, the Department should ensure that eHR payroll exception reports are reviewed and annotated by Payroll staff and supervisors each pay period as required by the CFM.

**Recommendation**

- 18. Public Library management ensure that eHR payroll exception reports are reviewed and annotated by Payroll staff and supervisors each pay period as required by the County Fiscal Manual.**

**Criminal Background Checks**

DHR policy 514, *Designation of Sensitive Positions and Requirements for Criminal History Information*, requires departments to perform criminal background check clearances on all candidates for hiring or promotion to sensitive positions to identify any arrests and convictions and determine if there is a job nexus. In addition, DHR policy requires departments to maintain a log of each person who reviews criminal conviction information, including the reason for each person's "need to know." The Department of Justice (DOJ) has specific rules for conducting and managing background checks. We reviewed records for ten employees who were working in sensitive positions and noted:

- For seven (70%) of the employees, the Department did not have documentation to support that a criminal background check clearance was conducted.
- For two (20%) of the employees, the Department maintained fingerprint cards in the employees' personnel files since 1989 and 1991 respectively. DOJ guidelines require that any information provided by the DOJ should be maintained in a secure area separate from the employee's personnel file. In addition, a fingerprint image or record, in electronic or hard copy form, should not be retained for longer than 30 days from the date of the initial transmission.

We also noted that staff did not record all of the information specified on the Department's Fingerprint Transaction Log for each fingerprint transaction performed. The log was missing information required by the DOJ such as the operator's name, date the applicant was fingerprinted, etc. In addition, the Department does not maintain a log to keep track of each person who reviewed criminal conviction information, including the reason for each person's "need to know," as required by DHR.

**Recommendations****Public Library management:**

- 19. Complete and maintain records of criminal background checks performed on all individuals who are in a sensitive position.**
- 20. Ensure that records provided by the Department of Justice are maintained in a secure area separate from the employees' personnel files, and that fingerprint images are destroyed 30 calendar days from the date of the initial transmission to the Department of Justice.**

- 21. Record all required information specified on the Fingerprint Transaction Log.**
- 22. Maintain a log to keep track of each person who reviewed criminal conviction information, including the reason for each person's "need to know."**

### **Personnel Files**

Departments are required to maintain certain items (e.g., performance evaluations, employee information sheet, employee picture, reporting outside employment form, etc.) in each employee's personnel file.

We reviewed ten personnel files and noted that 52 (25%) out of the 208 required items were missing from these files. Examples of the missing items include the Employee Eligibility Verification, Oath of Allegiance Card, records of training, and the Release for Information form when applicable.

### **Recommendation**

- 23. Public Library management ensure that required items are maintained in each employee's personnel file.**

### **Bonuses**

Employees can receive bonuses for special job skills, performing additional duties, or for working at a particular location (e.g., bilingual bonus, out-of-class assignments, etc.). CFM Section 3.1.8 requires departments to review work assignments, personnel files, and eligibility documents annually to determine whether employees continue to qualify for their bonuses. The annual bonus reviews should be documented and approved.

We reviewed ten employees receiving a total of 22 bonuses and noted:

- Four (18%) instances where employees' personnel files did not include documentation supporting the bonuses.
- One (5%) instance where the Department did not cancel an employee's bonus when, based on documentation in the personnel file, the employee no longer met the bonus requirements.

We also noted the Department's bonus reviews are not always documented and/or approved by a supervisor.

**Recommendations**

**Public Library management ensure that:**

- 24. Supporting documentation for bonuses is maintained in each applicable employee's personnel file.**
- 25. Annual bonus reviews are documented, and approved by a supervisor.**

**Data Security**

System security roles determine which eHR pages a user can access and what specific functions (e.g., edit, submit, approve) they can perform. CFM Section 3.1.5 requires management to review each employee's security and workflow assignments at least quarterly, or whenever an employee's job responsibilities change, to ensure compliance with all data access controls, and to ensure that those assignments are restricted to the scope of each employee's job responsibilities. In addition, system security role assignments should be removed immediately when no longer needed.

Payroll staff indicated that user security and workflow assignments are not reviewed periodically, as required by the CFM Section 3.1.5. We noted that six users continued to have an active eHR account an average of 355 days after they separated from employment with the County. One employee had an approval role for 150 days after the employee transferred to another department.

**Recommendations**

**Public Library management:**

- 26. Review eHR user security and workflow role assignments at least quarterly, as required by County Fiscal Manual Section 3.1.5.**
- 27. Ensure that an employee's account in eHR is immediately removed when it is no longer needed, and when they separate from employment with Public Library.**

**Employee Training**

We reviewed the training records for ten employees and noted that six (60%) had not completed one or more trainings required by Board policy and State/federal regulations. The missing trainings included Disaster Service Worker Training and Sexual Harassment Prevention Training.

**Recommendation**

**28. Public Library management ensure employees complete training required by Board policy and State/federal regulations.**

**Other Issues**

During our review, we noted the following nominal issues:

- CFM Section 3.1.7 states that if an error is discovered after a timesheet has been approved, the employee and supervisor must sign a timesheet correction form to verify the change. We reviewed five timesheet adjustments and noted none of the adjustments were signed and dated by the employee.
- CFM Section 3.1.11 indicates Payroll Clerks must not have unsupervised access to employees' personnel folders. During business hours, Library's personnel files are kept in unlocked cabinets near the Payroll Clerks' work area.
- CFM Section 3.1.12 states that payroll warrants (including supplemental warrants) must be received and distributed by persons having no other payroll or personnel responsibilities. We noted Library Payroll staff receive and distribute approximately 35 payroll warrants per month.

**Recommendations**

**Public Library management ensure:**

- 29. Employees and supervisors sign and date timesheet correction forms.**
- 30. Personnel folders are kept in locked file cabinets at all times.**
- 31. Payroll staff are not directly involved with receiving or distributing payroll warrants.**





County of Los Angeles Public Library  
7400 East Imperial Hwy., Downey, CA 90242 • (562) 940-8400 • colapublib.org



May 11, 2016

To: John Naimo  
Auditor Controller

From: Skye Patrick  
Library Director

Subject: **PUBLIC LIBRARY - PAYROLL/PERSONNEL REVIEW**

Attached are the Public Library's responses to the recommendations contained in the Auditor-Controller Payroll/Personnel Review draft report. We agree with your recommendations and have taken corrective actions as outlined in Attachment II.

We appreciate the opportunity to include our responses with your report, as well as the professionalism and time taken by your staff in working with us throughout this endeavor.

If you need additional information or require any clarifications, please let me know or your staff may contact Susan D. Fowler, Human Resources Manager at (562) 940-8434.

SP:SF:cd

Attachment

**LOS ANGELES COUNTY PUBLIC LIBRARY**  
**RESPONSES TO PAYROLL/PERSONNEL AUDIT REVIEW**

**ATTACHMENT II.**

**Report Recommendations and Public Library (PL) Responses**

**Auditor-Controller recommendation #1**

Public Library management ensure that all non-emergency overtime is pre-approved in writing, and documentation of the pre-approval is scanned and attached to employees' electronic timesheets.

**Public Library response(s)**

PL agrees and is implementing corrective action with Department wide advisement of policy and expectations, as well as self-audit measure to ensure compliance. Department will evaluate implementation roll-out of scanning and attaching all pre-approved documentation to electronic timesheets in eHR.

**Auditor-Controller recommendation #2**

Public Library management ensure that all employee timesheets reflect the actual number of hours worked each day, and that the Department's overtime policy is updated to comply with the County Fiscal Manual.

**Public Library response(s)**

PL agrees and is implementing corrective action. Department overtime policy is being updated to comply with County Fiscal Manual (CFM). The Department's reporting of actual time worked has been revised to comply with the CFM and the Department is enforcing the expectation that all employee timesheets accurately reflects the actual number of hours worked each day.

**Auditor-Controller recommendation #3**

Ensure that supervisors approving timesheets review supporting documentation to verify that each instance of claimed call-back overtime hours meets the requirements of the applicable Memorandum of Understanding.

**Public Library response(s)**

PL agrees and has fully implemented corrective action. Immediately upon notice to Executive Management of the discrepancy, department wide advisement of policy and expectations was disseminated. Further, the Department conducted a self-audit to ensure compliance resulting in no further indications of misuse or discrepancies.

**Public Library – Payroll/Personnel Review**

**Page 2**

The department will evaluate implementation of the requirement of staff scanning and attaching all pre-approved documentation to eHR electronic timesheets.

**Auditor-Controller recommendation #4**

Research call-back overtime exceptions identified above, and work with the Department of Human Resources and County Counsel to recover overpayments.

**Public Library response(s)**

PL agrees and has fully implemented corrective action. The Department investigated and subsequently collected the overpayments related to this singular and isolated incident.

**Auditor-Controller recommendation #5**

Ensure permanent Public Library employees electronically submit and sign their timesheets in eHR, and ensure employees' supervisors approve their employees' timesheets in eHR based on actual time worked.

**Public Library response(s)**

PL agrees and has fully implemented corrective action. Immediately upon notice from Human Resources Development's Payroll staff the Regional offices began implementation of practices to ensure permanent employees electronically submit and sign their timesheets in eHR, and that employee supervisors approve timesheets in eHR based on actual time worked.

**Auditor-Controller recommendation #6**

Discontinue the practice of permanent employees preparing both hard copy and eHR timesheets.

**Public library response(s)**

PL agrees and has fully implemented corrective action. Immediately upon notice from Human Resources Development Payroll staff the Regional offices began implementation of practices to ensure permanent employees only prepare timesheets in eHR.

**Auditor-Controller recommendation #7**

Evaluate allowing temporary employees to enter their time directly into eHR.

**Public library response(s)**

PL agrees and will evaluate feasibility of implementation of recommendation

**Auditor-Controller recommendation #8**

Ensure employees review eHR entries made on their behalf by proxies, and certify that the entries are correct and complete.

**Public library response(s)**

PL agrees and will implement corrective action. Part-time staff will be required to sign a copy of time sheets prepared on their behalf by proxies as they do not have internet access and are therefore, unable to enter their own time in eHR.

**Auditor-Controller recommendation #9**

Public Library management ensure that each quarter management, or someone independent of personnel and payroll functions, reviews and documents a sample of permanent and temporary employees' timesheets to ensure the employees are bona fide, and that timesheets were accurately submitted and properly approved.

**Public library response(s)**

PL agrees. With management turnover and new hires over the past year in Human Resources Personnel as well as Executive Management the oversight of this quarterly review had not been maintained.

The Department will implement corrective action to ensure compliance targeted for May, 2016. The Department has however continued its quarterly practice of ensuring all staff, full-time and part-time, receiving pay are bona fide.

**Auditor-Controller recommendation #10**

Public Library management ensures their Return-to-Work personnel consistently utilize the Absence Management System to provide for more effective awareness and oversight of employees who are on various forms of extended leave.

**Public library response(s)**

PL agrees and has fully implemented corrective action. A great deal of time and staffing resources has been provided to the Department's Leave Management Division of Human Resources Development over the past year. This effort has positively resulted in the updating and continued required use and maintenance of the County Absence Management System by the Return-to-Work Coordinators, ensuring effective awareness and oversight of employees who are on various forms of extended leaves of absence.

**Auditor-Controller recommendation #11**

Ensure that bilingual bonuses are suspended when an employee is absent for more than 60 consecutive calendar days.

**Public library response(s)**

PL agrees and has fully implemented corrective action. Immediately upon becoming aware this was rectified and procedures have been implemented creating improved and timelier communication between the Payroll and Operations staff to ensure compliance.

**Auditor-Controller recommendation #12**

Ensure that temporary disability payments are paid timely.

**Public library response(s)**

PL agrees and has fully implemented corrective action. Again, as noted in Response to #10., a great deal of time and staffing resources has been provided to the Department's Leave Management Division of Human Resources Development over the past year. This effort has positively resulted in required paperwork consistently being provided to Payroll staff to ensure that temporary disability payments are paid timely.

**Auditor-Controller recommendation #13**

Ensure supervisors review employees' proof of jury service to determine whether employees were paid for jury duty, and collect and deposit with the County Treasurer any jury fees paid to employees who received their County salary while serving as a juror.

**Auditor-Controller recommendation #14**

Ensure employees provide proof of jury service documentation when submitting their timesheets.

**Public library responses**

PL agrees. Immediately upon becoming aware of the noted instances by Auditor Controller related to timesheets without documentation/proof of jury service, verification was in fact substantiated. In the one instance where an employee was paid the jury fee, the employee reimbursed the Court directly.

Payroll staff has implemented enhanced timesheet reviews to verify documentation is provided to employee supervisors whenever timesheets indicate jury service by an employee. As well, Payroll staff are more diligent in their verification that employees who serve jury duty have not been paid a jury

**Public Library – Payroll/Personnel Review**

**Page 5**

fee, and if so, that the fee will be collected and deposited with the County Treasurer.

Department will evaluate the feasibility of implementing in the coming months, the uploading/attachment of jury duty service documentation to timesheets in eHR.

**Auditor-Controller recommendation #15**

Public Library management ensure employees who receive bereavement leave provide documentation that adequately supports leave eligibility.

**Public library response(s)**

PL agrees. Immediately upon becoming aware of the noted instances by Auditor Controller related to timesheets without documentation/proof supporting bereavement leave eligibility, verification was in fact substantiated in all of these instances.

Payroll staff has implemented enhanced timesheet reviews to verify documentation is provided to support bereavement leave eligibility by employee supervisors, whenever timesheets indicate bereavement leave by an employee.

Department will evaluate the feasibility of implementing in the coming months the uploading/attachment of documentation to support bereavement leave eligibility to timesheets in eHR.

**Auditor-Controller recommendation #16**

Public Library management properly identify all employees during payroll payoffs, and consider using Restricted Delivery mail service or other similar means for identifying employees who are off work for extended periods.

**Public library response(s)**

PL agrees and has taken corrective action. Fiscal staff has implemented additional procedures to ensure all employees are identified during payroll payoffs including staff on extended leaves, relocated or working part time such as retirees or other circumstances where they are not. All are being identified as required and the Department is utilizing Restricted Delivery to do so when appropriate.



**Auditor-Controller recommendation #17**

Public Library management ensure that terminated employees' names are traced in a timely manner to the eHR Payroll Sequence Register for three consecutive months immediately after termination.

**Public library response(s)**

PL agrees and has fully implemented corrective action. Operations staff is ensuring proper monitoring of terminated employees' names to verify timely processing and prevention of receipt of any inappropriate pay. Operations staff is reviewing the Payroll Sequence Register as required.

**Auditor-Controller recommendation #18**

Public Library management ensure that eHR payroll exception reports are reviewed and annotated by Payroll staff and supervisors each pay period as required by the County Fiscal Manual.

**Public library response(s)**

PL agrees and has taken corrective action. Payroll staff reviews the exceptions reports as required each pay period or otherwise as required, and makes necessary revisions as indicated. Where there is no indication of a need for a revision the review will be noted in an electronically maintained log to verify the required review of the exception reports takes place. Given that the reports that do not require action are blank, rather than collect paper to verify the review, the log is maintained as a matter of efficiency and environmentally friendly alternative.

**Auditor-Controller recommendation #19**

Complete and maintain records of criminal background checks performed on all individuals who are in a sensitive position.

**Public library response(s)**

PL agrees and has fully implemented corrective action. The Department recently participated in a self-audit with the Department of Human Resources to ensure all of its procedures and practices related to Live Scan criminal background checks are being followed properly, including the maintenance of confidential records. The Department has been and continues to maintain required records.

**Auditor-Controller recommendation #20**

Ensure that records provided by the Department of Justice are maintained in a secure area separate from the employees' personnel files, and that fingerprint images are destroyed 30 calendar days from the date of the initial transmission to the Department of Justice.

**Public library response(s)**

PL agrees and has fully implemented corrective action.

**Auditor-Controller recommendation #21**

Record all required information specified on the Fingerprint Transaction Log.

**Public library response(s)**

PL agrees and has fully implemented corrective action.

**Auditor-Controller recommendation #22**

Maintain a log to keep track of each person who reviewed criminal conviction information, including the reason for each person's "need to know."

**Public library response(s)**

PL agrees and has fully implemented corrective action.

**Auditor-Controller recommendation #23**

Public Library management ensures that required items are maintained in each employee's personnel file.

**Public library response(s)**

PL agrees and corrective action has been fully implemented.

**Auditor-Controller recommendation #24**

Supporting documentation for bonuses is maintained in each applicable employee's personnel file.

**Public library response(s)**

PL agrees and corrective action will be implemented as indicated in this report.



**Auditor-Controller recommendation #25**

Annual bonus reviews are documented and approved by a supervisor.

**Public library response(s)**

PL agrees and corrective action will be implemented as indicated in this report.

**Auditor-Controller recommendation #26**

Review eHR user security and workflow role assignments at least quarterly, as required by County Fiscal Manual Section 3.1.5.

**Public library response(s)**

PL agrees and corrective action will be implemented as indicated in this report.

**Auditor-Controller recommendation #27**

Ensure that employees' account in eHR is immediately removed when it is no longer needed, and when they separate from employment with the Library.

**Public library response(s)**

PL agrees and corrective action has been fully implemented to ensure compliance.

**Auditor-Controller recommendation #28**

Public Library management ensure employees complete training required by Board policy and State/federal regulations.

**Public library response(s)**

PL agrees and corrective action has been taken. The Department is on track with becoming fully compliant as required for all mandatory trainings for both full-time and part-time staff, including but not limited to, Disaster Services Worker and Sexual Harassment Prevention trainings, as noted in this report.

**Other Issues**

**Auditor-Controller recommendation #29**

Employees and supervisors sign and date timesheet correction forms.

**Public library response(s)**

PL agrees and will implement corrective action department wide.

**Public Library – Payroll/Personnel Review**

**Page 9**

**Auditor-Controller recommendation #30**

Personnel folders are kept in locked file cabinets at all times.

**Public library response(s)**

PL agrees and corrective action has been taken.

**Auditor-Controller recommendation #31**

Payroll staff is not directly involved with receiving or distributing payroll warrants.

**Public library response(s)**

PL agrees and corrective action will be implemented as indicated in this report.

#

#

#